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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 17

DECEMBER 1972

Number 5

Released Pursuant to \$1000.3 and \$ 1090.85, USDA-AMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

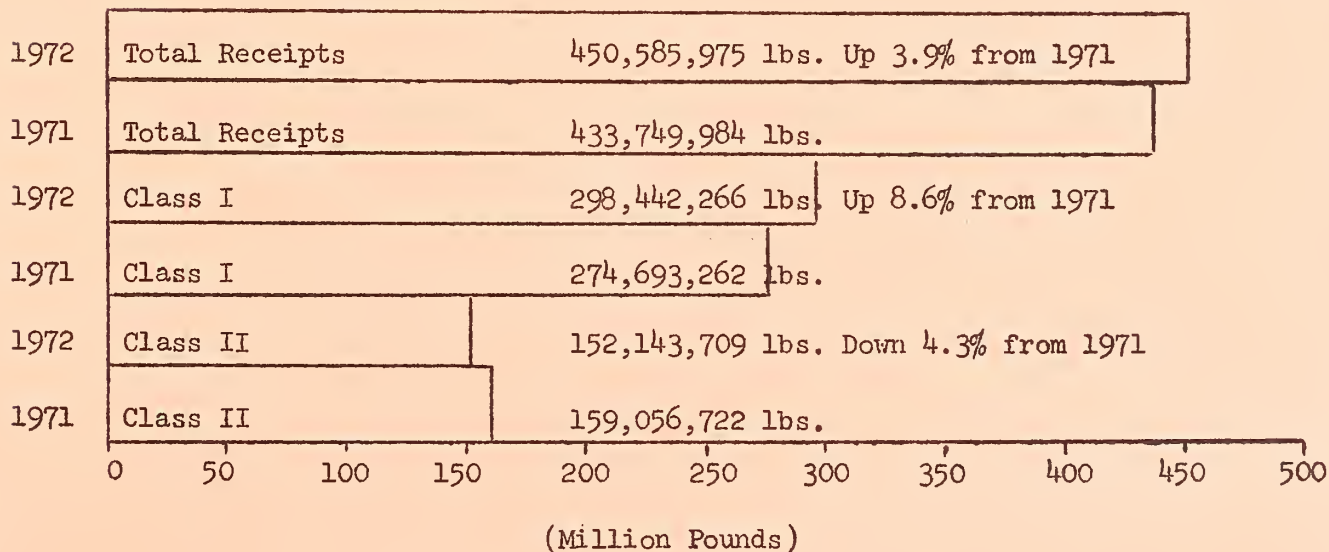
MARKET SUMMARY - DECEMBER 1972

The Chattanooga Order MINIMUM uniform producer price is \$6.91 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 71 cents above December 1971.

In December 1972, 78.3% of producer milk received by pool plants was priced in Class I at \$7.33 per cwt. and 21.7% was priced in Class II at \$5.41 per cwt. The December butterfat differential for Class I was 8.3 cents and Class II was 8.1 cents.

Total producer milk received at pool plants during December 1972 was 36,421,569 pounds which is a decrease of 1,046,970 pounds or a daily average decrease of 2.8% compared with December 1971. The December daily average deliveries from 723 producers was 1,625 pounds. This compares to 767 farms delivering a daily average of 1,576 pounds per day during December 1971.

PRODUCER MILK - RECEIPTS AND CLASSIFICATION  
(January thru December)



COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Dec. '72			
	Over	Dec.	Nov.	Dec.
	Dec. '71	1972	1972	1971
Number of Plants - Pool		7	7	7
- Non-Pool		12	11	14
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 2.8	1,174,889	1,179,257	1,208,663
Other Source	- 3.3	32,930	32,544	34,055
Other Federal Orders	-34.4	88,027	94,717	134,175
TOTAL MILK RECEIPTS	- 5.9	1,295,846	1,306,518	1,376,893
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 6.1	470,409	492,779	443,209
Skim	+ 7.7	22,242	22,440	20,646
2% Milk	+14.7	157,150	153,044	136,970
Buttermilk	+ 0.3	57,749	58,913	57,571
Flavored Milk and Drink	+21.5	22,231	25,211	18,297
Creams (Sweet and Sour)	+ 7.3	5,263	4,290	4,907
Yogurt	+31.1	498	742	380
Sub-Total - Pkg. Products (Pool Plants)	+ 7.9	735,542	757,419	681,980
Other (Shrinkage, Inventory, etc.)		5,024	6,328	1,169
Sales to Non-Pool Plants	+74.8	194,709	241,896	111,380
In-Area Sales by Non-Pool Plants	+ 6.6	46,331	48,546	43,472
TOTAL CLASS I MILK	+17.1	981,606	1,054,189	838,001
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	-36.4	30,608	59,727	48,149
Cottage Cheese	+17.0	36,715	42,644	31,378
Powdered and Condensed Milk		4,067	2,789	16,917
Livestock Feed and Milk Dumped	+ 1.1	10,213	8,916	10,098
Sub-Total - Used to Produce	-23.4	81,603	114,076	106,542
Shrinkage Class II		15,596	16,163	11,122
Other (Inventory Variation, etc.)		6,398	14,872	3,445
Bulk Sales to Non-Pool Plants	-49.6	210,643	107,218	417,783
TOTAL CLASS II MILK	-41.7	314,240	252,329	538,892
Class I Pkg. Lbs. In Area - Pool Plants	+ 0.8	512,626	527,264	508,664
Class I Pkg. Lbs. Out of Area-Pool Plants	+28.6	222,916	230,155	173,316
Class I Pkg. Lbs. In Area - Non-Pool Plants	+6.6	46,331	48,546	43,472
% Producer Milk of Gross Class I		119.7	111.9	144.2
% Producer Milk Priced in Class I		78.3	83.2	61.8

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE  
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	% Dec. '72			
	Over	Dec.	Nov.	Dec.
	Dec. '71	1972	1972	1971
<u>PACKAGE ITEMS</u>				
Homo Milk	- 0.9	373,294	390,885	376,563
Skim	+ 9.9	15,512	15,717	14,120
2% Milk	+ 7.6	102,379	99,383	95,104
Buttermilk	- 3.2	45,989	46,325	47,505
Flavored Milk and Drink	+18.3	17,487	19,755	14,781
Fluid Creams and Yogurt	+ 5.7	4,296	3,745	4,063
Class I Package Pounds - In Area	+ 1.2	558,957	575,810	552,136



## COMPUTATION OF PRODUCER UNIFORM PRICE

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DECEMBER 1972	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		30,429,793	3.130		
Less Other Source		1,906,215	2.824		
Producer Milk Class I	78.3	28,523,578	3.150026	\$7.039522	\$2,007,923.55
Gross Class II		9,741,453	6.169		
Less Other Source		1,843,462	2.904		
Producer Milk Class II	21.7	7,897,991	6.931522	8.189533	646,808.58
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	36,421,569	3.970040		\$2,654,732.13
Less Fractional Adjustment					.26
Add Value of Overage					91.93
Add Value of Inventory Reclassified					376.14
Add Value of Class I Other Source and Producer Location Adjustment		2,787	0.000		3,578.23
Add 1/2 Producer-Settlement Fund Reserve					16,408.16
TOTAL VALUE AT TEST		36,424,356	3.969737	\$7.344499	\$2,675,186.33
Less Test over 3.5% @ 8.2¢ per point		36,424,356	.469737	0.385184	140,300.79
TOTAL UTILIZATION VALUE AT 3.5%		36,424,356	3.5	\$6.959315	\$2,534,885.54
Less Producer-Settlement Fund Reserve		36,424,356		0.049315	17,962.67
PRODUCER UNIFORM PRICE - 3.5% TEST		36,424,356	3.5	\$6.91	\$2,516,922.87

DECEMBER 1972 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)  
 BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$6.50	3.6	\$6.992	4.2	\$7.484	4.8	\$7.976	5.4	\$8.468
3.05	6.541	3.65	7.033	4.25	7.525	4.85	8.017	5.45	8.509
3.1	6.582	3.7	7.074	4.3	7.566	4.9	8.058	5.5	8.55
3.15	6.623	3.75	7.115	4.35	7.607	4.95	8.099	5.55	8.591
3.2	6.664	3.8	7.156	4.4	7.648	5.0	8.14	5.6	8.632
3.25	6.705	3.85	7.197	4.45	7.689	5.05	8.181	5.65	8.673
3.3	6.746	3.9	7.238	4.5	7.73	5.1	8.222	5.7	8.714
3.35	6.787	3.95	7.279	4.55	7.771	5.15	8.263	5.75	8.755
3.4	6.828	4.0	7.32	4.6	7.812	5.2	8.304	5.8	8.796
3.45	6.869	4.05	7.361	4.65	7.853	5.25	8.345	5.85	8.837
3.5	6.91	4.1	7.402	4.7	7.894	5.3	8.386	5.9	8.878
3.55	6.951	4.15	7.443	4.75	7.935	5.35	8.427	5.95	8.919

## PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA - DEC. 1972

POOL PLANTS - CHATTANOOGA

Dairymen, Inc. - Chattanooga

Happy Valley Farms, Inc.

Mayfield Dairy Farms, Inc.

Ray Moss Farms, Inc.

Nance Dairy, Inc.

National Farmers Organization

Sealtest Foods

FEDERAL ORDER NO. 98 - NASHVILLE

Avalon Dairies, Inc.

FEDERAL ORDER NO. 33 - OHIO VALLEY

Kroger Company

FEDERAL ORDER NO. 101 - KNOXVILLE

Broadacre Dairies, Inc.

Pet, Inc.

Wolf Enterprises, Inc.

FEDERAL ORDER NO. 7 - GEORGIA

Dempsey Brothers Dairies, Inc.

Meadowbrook Dairy, Inc.

Meadow Gold Dairies of Georgia

Superbrand Dairy Products, Inc.

PARTIALLY REGULATED - CHATTANOOGA

The Great A&amp;P Tea Company

Coble Dairy Products Cooperative, Inc.

Tro-Fe Dairy Company, Inc.

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Dec. '71	\$6.20	-	-	8.0¢	\$6.99	8.2¢	\$4.93	7.8¢
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	-	-	8.0	7.08	8.1	4.97	7.8
Mar.	6.23 2/	\$6.35	\$5.04	8.0	7.12	8.1	5.04	7.8
Apr.	6.10 2/	6.25	4.96	8.0	7.12	8.1	4.96	7.8
May	6.12 2/	6.26	4.94	8.0	7.19	8.1	4.94	7.8
June	6.19 2/	6.30	4.95	8.0	7.11	8.1	4.95	7.8
July	6.46 2/	6.60	5.01	8.0	7.09	8.1	5.01	7.8
Aug.	6.50	-	-	8.0	7.10	8.1	5.07	8.0
Sept.	6.72	-	-	8.2	7.16	8.3	5.10	8.1
Oct.	6.73	-	-	8.2	7.22	8.4	5.18	8.0
Nov.	6.92	-	-	8.2	7.25	8.3	5.32	8.0
Dec.	6.91	-	-	8.2	7.33	8.3	5.41	8.1
Jan. '73	-	-	-	-	7.47	8.5	-	-
Feb.	-	-	-	-	7.56	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92 Butter	Chi. Area Powder	Minn./Wisc. Mfg. Milk	(Daily Average)				Percentage Use	
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Class I		Class II		Cl. I	Cl. II
Dec. '71	67.96	31.63	\$4.93	746,539	3.28	462,124	5.19	61.8	38.2
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16	60.1	39.9
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07	58.3	41.7
Mar.	67.78	31.44	5.04	715,940	3.18	524,310	4.79	57.7	42.3
Apr.	67.71	31.46	4.96	677,865	3.14	609,946	4.45	52.6	47.4
May	67.71	31.36	4.94	663,443	3.22	604,609	4.16	52.3	47.7
June	67.71	31.37	4.95	680,498	3.12	503,552	4.43	57.5	42.5
July	67.84	31.45	5.01	806,185	3.19	348,766	4.79	69.8	30.2
Aug.	69.50	31.67	5.07	881,026	3.15	367,422	4.72	70.6	29.4
Sept.	70.25	31.83	5.10	1,013,082	3.21	276,604	5.24	78.6	21.4
Oct.	69.38	33.70	5.18	988,985	3.21	302,983	5.74	76.5	23.5
Nov.	69.29	34.99	5.32	981,185	3.17	198,072	7.50	83.2	16.8
Dec.	70.49	37.36	5.41	920,115	3.15	254,774	6.93	78.3	21.7

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No. Hdlers	Total Receipts	Class I Use	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Dec. '71	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615
Mar.	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645
Apr.	21	1,465,359	765,713	7	749	1,287,811	1,148,033	3.76	1,719
May	21	1,472,482	755,899	7	745	1,268,052	1,136,103	3.67	1,702
June	21	1,346,627	771,942	7	745	1,184,050	1,088,364	3.67	1,589
July	21	1,336,101	910,607	7	741	1,154,951	1,053,562	3.67	1,559
Aug.	20	1,399,884	986,748	7	784	1,248,448	-	3.61	1,592
Sept.	20	1,431,164	1,123,583	7	786	1,289,686	-	3.64	1,641
Oct.	19	1,440,419	1,096,711	7	778	1,291,968	-	3.80	1,661
Nov.	18	1,306,518	1,054,189	7	722	1,179,257	-	3.90	1,633
Dec.	19	1,295,846	981,606	7	723	1,174,889	-	3.97	1,625

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I